



**TIME ENGINEERING BERHAD (10039-P)  
QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

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THE FIGURES HAVE NOT BEEN AUDITED

I CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2012 RM'000	Preceding year corresponding quarter 31/03/2011 RM'000	Three months to 31/03/2012 RM'000	Three months to 31/03/2011 RM'000
Revenue	15,258	16,398	15,258	16,398
Cost of sales	(3,173)	(4,402)	(3,173)	(4,402)
Gross profit	12,085	11,996	12,085	11,996
Other income	899	962	899	962
Expenses	(11,540)	(10,481)	(11,540)	(10,481)
Finance cost	-	(3,045)	-	(3,045)
<b>Profit/(Loss) before income tax</b>	<b>1,444</b>	<b>(568)</b>	<b>1,444</b>	<b>(568)</b>
Income tax (Note 13)	(677)	(1,260)	(677)	(1,260)
<b>Profit/(Loss) for the period</b>	<b>767</b>	<b>(1,828)</b>	<b>767</b>	<b>(1,828)</b>
<b>Other comprehensive income for the period, net of tax</b>				
Gain on fair value of available-for-sale financial assets	-	37,571	-	37,571
<b>Total comprehensive income for the period</b>	<b>767</b>	<b>35,743</b>	<b>767</b>	<b>35,743</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.



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Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2012

I CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2012 RM'000	Preceding year corresponding quarter 31/03/2011 RM'000	Three months to 31/03/2012 RM'000	Three months to 31/03/2011 RM'000
<b>Profit/(Loss) attributable to:</b>				
- Owners of the Company	(453)	(2,934)	(453)	(2,934)
- Non-controlling Interests	1,220	1,106	1,220	1,106
<b>Profit/(Loss) for the period</b>	<b>767</b>	<b>(1,828)</b>	<b>767</b>	<b>(1,828)</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	(453)	34,637	(453)	34,637
- Non-controlling Interests	1,220	1,106	1,220	1,106
<b>Total comprehensive income for the period</b>	<b>767</b>	<b>35,743</b>	<b>767</b>	<b>35,743</b>
<b>Loss per share</b>				
- Basic	(0.06) sen	(0.38) sen	(0.06) sen	(0.38) sen
- Diluted	NA	NA	NA	NA

Note: NA denotes "Not Applicable"

REMARKS TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2012 RM'000	Preceding year corresponding quarter 31/03/2011 RM'000	Three months to 31/03/2012 RM'000	Three months to 31/03/2011 RM'000
<b>Profit/(Loss) before income tax is arrived at after charging/(crediting):</b>				
Interest income	(745)	(589)	(745)	(589)
Other income	(154)	(373)	(154)	(373)
Interest expenses	-	3,045	-	3,045
Depreciation and amortisation	2,229	1,355	2,229	1,355
Provision for and write off of receivables	24	-	24	-
Foreign exchange loss	6	127	6	127

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.



Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2012

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/03/2012 RM'000	Audited As at 31/12/2011 RM'000
<b>ASSETS</b>		
Non-current assets		
Plant and equipment	29,410	27,540
Intangible assets	4,137	4,697
Investment property	303	303
	<hr/>	<hr/>
	33,850	32,540
Current assets		
Trade and other receivables	16,022	16,058
Inventories	286	331
Tax recoverable	1,370	1,370
Cash and cash equivalents	119,239	135,382
	<hr/>	<hr/>
	136,917	153,141
	<hr/>	<hr/>
<b>Total assets</b>	<b>170,767</b>	<b>185,681</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to Owners of the Company		
Share capital	155,049	155,049
Reserves	(21,263)	(20,810)
	<hr/>	<hr/>
	133,786	134,239
Non-controlling Interests	19,616	18,396
	<hr/>	<hr/>
<b>Total equity</b>	<b>153,402</b>	<b>152,635</b>
Non-current liabilities		
Deferred tax liabilities	1,334	1,334
	<hr/>	<hr/>
	1,334	1,334
Current liabilities		
Trade and other payables	14,611	14,731
Dividend payable	-	15,505
Tax payable	1,420	1,476
	<hr/>	<hr/>
	16,031	31,712
	<hr/>	<hr/>
Total liabilities	17,365	33,046
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	<b>170,767</b>	<b>185,681</b>
	<hr/>	<hr/>
<b>Net assets per share attributable to Owners of the Company (RM)</b>	<b>0.17</b>	<b>0.17</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.



Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2012

III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months to 31/03/2012 RM'000	Unaudited Three months to 31/03/2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	18,278	19,500
Cash payments to suppliers	(6,457)	(6,419)
Cash payments to employees and other expenses	(8,409)	(7,679)
	<hr/>	<hr/>
Cash from operations	3,412	5,402
Net income tax paid	(733)	(1,571)
Zakat	58	51
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>2,737</b>	<b>3,882</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(4,120)	(271)
Interest received	745	590
	<hr/>	<hr/>
<b>Net cash from investing activities</b>	<b>(3,375)</b>	<b>319</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-	(2,949)
Increase in deposits pledged	(33)	(8)
Dividend paid to Owners of the Company	(15,505)	-
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(15,538)</b>	<b>(2,957)</b>
	<hr/>	<hr/>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(16,176)</b>	<b>1,244</b>
Cash and Cash Equivalents as at beginning of financial period	133,505	99,089
	<hr/>	<hr/>
<b>Cash and Cash Equivalents as at end of financial period</b> (a)	<b>117,329</b>	<b>100,333</b>
	=====	=====

(a) Cash and Cash Equivalents comprise the following amounts:

	As at 31/03/2012 RM'000	As at 31/03/2011 RM'000
<b>Current</b>		
Cash and deposits with licensed banks		
- Unrestricted	117,329	100,333
- Restricted	1,910	3,136
	<hr/>	<hr/>
	119,239	103,469
	<hr/>	<hr/>
Less: Cash and fixed deposit pledged as security	119,239	103,469
	(1,910)	(3,136)
	<hr/>	<hr/>
Cash and Cash Equivalents as at end of financial period	117,329	100,333
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.



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**Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2012**

**IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**

← Attributable to Owners of the Company →  
Non-distributable

In RM'000	Share Capital	Available- For-Sale Reserves	Accumulated Losses	Total	Non- controlling Interests	Total Equity
<b>Three months to 31 March 2012</b>						
Balance as at 1 January 2012	155,049	-	(20,810)	134,239	18,396	152,635
Total comprehensive income/(loss) for the period	-	-	(453)	(453)	1,220	767
Balance as at 31 March 2012	155,049	-	(21,263)	133,786	19,616	153,402
<b>Three months to 31 March 2011</b>						
Balance as at 1 January 2011	155,049	259,865	(85,043)	329,871	18,239	348,110
Gain on fair value of available-for-sale financial assets arising during the period	-	37,571	-	37,571	-	37,571
Loss for the period	-	-	(2,934)	(2,934)	1,106	(1,828)
Total comprehensive income for the period	-	37,571	(2,934)	34,637	1,106	35,743
Balance as at 31 March 2011	155,049	297,436	(87,977)	364,508	19,345	383,853

The Condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.



## Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2012

### V NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 1 Significant accounting policies

These condensed consolidated interim financial statements, for the period ended 31 March 2012, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

The adoption of MFRS 1 has no impact on the financial statements of the Group.

#### 2 Audit report in respect of the 2011 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2011 was not qualified.

#### 3 Seasonal or cyclical factors

The Group's operations are not subject to any seasonal or cyclical factors.

#### 4 Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current period.

#### 5 Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

#### 6 Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current period ended 31 March 2012.



## Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2012

### 7 Dividend

The Directors do not recommend the payment of any dividend for the current period ended 31 March 2012 (2011:Nil).

An interim dividend of 2.666 sen per ordinary share less tax at 25% totalling RM15,504,894 in respect of the financial year ended 31 December 2011 was declared on 30 December 2011 and paid on 16 February 2012.

The final dividend of 4.0 sen per ordinary share less tax at 25% totalling RM23,257,340 (3.0 sen net per ordinary share) in respect of the financial year ended 31 December 2011 has been approved by the shareholders during the Annual General Meeting on 2 May 2012 and will be paid on 1 June 2012.

### 8 Segmental information for the current period

There is no disclosure of segmental information as the Group's activity is mainly carried out in Malaysia and within the Information Communications & Technologies' industry.

### 9 Material events subsequent to the current period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 March 2012 to the date of this announcement which would substantially affect the financial results of the Group for the current period ended 31 March 2012.

### 10 Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

### 11 Contingent liabilities

There are no material changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2011.

### 12 Capital commitments

Authorised capital expenditure not recognised as at the date of this announcement is as follow:

	RM'000
Purchase of plant and equipment	
- Approved and contracted for	13,500
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Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2012

13	Income tax	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter 31/03/2012 RM'000	Preceding year corresponding quarter 31/03/2011 RM'000	Three months to 31/03/2012 RM'000	Three months to 31/03/2011 RM'000
	Malaysian income tax				
	- Current taxation	(677)	(1,260)	(677)	(1,260)
	Total	<u>(677)</u>	<u>(1,260)</u>	<u>(677)</u>	<u>(1,260)</u>

The effective tax rate of the Group for current quarter and year to date was higher than the statutory tax rate. The provision for tax payable has been made by profitable subsidiary company, after applied of group tax relief.

14 **Status of corporate proposals announced but not completed as at the date of this announcement**

There were no announced corporate proposals not completed as at the date of this report.

15 **Derivatives**

There are no derivatives as at the date of this announcement.

16 **Classification of financial assets**

For period ended 31 March 2012, there were no change in the classification of financial assets as a result of a change in the purpose or use of those assets.

17 **Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement, save for an action brought by a sub-contractor of a subsidiary, as disclosed in Note 30 of the Annual Audited Financial Statements for the year ended 31 December 2011.

18 **Comparison between the current quarter and the immediate preceding quarter**

The Group recorded lower revenue of RM15.3 million as compared to the immediate preceding quarter of RM16.0 million. The revenue in the current quarter was mainly derived from its e-commerce business. The Group's revenue from its other ICT businesses was affected by unfavourable current local ICT market conditions. However, the current quarter's results improved due to the Group's continuous prudent cost management resulting in lower expenses.



**Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2012**

**19 Detailed analysis of the performance for the current quarter**

**Quarter ended 31 March 2012 compared with quarter ended 31 March 2011**

The Group recorded RM15.3 million in revenue for the current quarter as compared to the preceding year corresponding quarter of RM16.4 million. Lower revenue was mainly due to delay in securing new businesses.

The Group recorded a profit before tax of RM1.4 million in the current quarter compared to a loss before tax of RM0.6 million in the preceding year corresponding quarter. The higher profit before tax reported in current quarter is mainly due to saving in finance costs from the early and full redemption of Redeemable Secured Loan Stocks ("RSLs") in August 2011. A total finance cost of RM3.05 million was reported in the preceding year corresponding quarter.

**20 Prospects for 2012**

The Group is currently pursuing a number of significant projects, locally and regionally, by leveraging on its core offerings rendered via its new flagship investment, the Integrated Enterprise Centre (IEC).

With the resources in hand, the Group is exploring and evaluating strategic investment opportunities to enhance its current businesses and services which, if materialise, will improve the revenue stream.

**21 Variance for actual and forecast profit**

The Company did not issue any profit forecast or profit guarantee during the financial period.

**22 Earnings per share**

	<b>Current year quarter 31/03/2012</b>	<b>Preceding year corresponding quarter 31/03/2011</b>	<b>Three months to 31/03/2012</b>	<b>Three months to 31/03/2011</b>
Loss attributable to the Owners of the Company (RM'000)	(453)	(2,934)	(453)	(2,934)
Weighted average number of shares ('000)	775,245	775,245	775,245	775,245
Basic loss earnings per share (sen)	(0.06)	(0.38)	(0.06)	(0.38)



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**Quarterly Report On Consolidated Results For The First Quarter Ended 31 March 2012**

**23 Breakdown of realised and unrealised profits or losses**

The breakdown of the accumulated losses of the Group as at 31 March 2012, into realised and unrealised losses, pursuant to the directive, is as follows:

	<b>As at end of current financial period 31/03/2012 RM'000</b>	<b>As at preceding financial year end 31/12/2011 RM'000</b>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	10,309	9,504
- Unrealised	(1,562)	(1,522)
	<u>8,747</u>	<u>7,982</u>
Less: Consolidation adjustments	(30,010)	(28,792)
Total accumulated losses	<u>(21,263)</u>	<u>(20,810)</u>

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

**24 Authorisation for issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

Kuala Lumpur  
23 May 2012

By Order of the Board  
SAPIAH JAMALUDIN  
(MAICSA 0807355)  
Company Secretary